

## Message Text

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PAGE 01 STATE 086900  
ORIGIN EUR-12

INFO OCT-01 ISO-00 EB-08 COME-00 ITC-01 TRSE-00 H-01  
STR-07 /030 R

DRAFTED BY EUR/EE:GTBOUTIN:LG  
APPROVED BY EUR/EE:CWSCHMIDT  
-----113049 050212Z /66  
P 042332Z APR 78  
FM SECSTATE WASHDC  
TO AMEMBASSY BUDAPEST PRIORITY  
AMEMBASSY WARSAW PRIORITY

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WARSAW PASS TO DAS EHRENHAFT

E.O. 11652: N/A

TAGS: EEWT, HU, PL

SUBJECT: COMPLAINTS ABOUT HUNGARIAN LIGHTBULBS

REF: BUDAPEST 1338

1. EUR/EE OFFICERS MET WITH REPRESENTATIVES OF ACTION INDUSTRIES ON APRIL 4 FOR FURTHER DISCUSSION OF THE LIGHT-BULB ISSUE. THEY LEFT COPIES OF THEIR STATEMENT ON THE PROPOSED TRADE AGREEMENT. THEIR STATEMENT REVIEWS THE DEVELOPMENT OF ACTION'S BUSINESS WITH TUNGSRAM AND LAYS OUT ACTION'S REASONS WHY ITS IMPORTS OF LIGHTBULBS CANNOT BE DISRUPTING THE U.S. MARKET.

2. ACCORDING TO THE ACTION STATEMENT, ACTION HAS BEEN IMPORTING LIGHTBULBS FROM HUNGARY SINCE 1972, DURING WHICH TIME THERE HAS BEEN A GRADUAL INCREASE IN THE TOTAL VALUE  
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OF LIGHTBULBS IMPORTED BY THE U.S. FROM HUNGARY FROM 2.1 MILLION DOLLARS IN CALENDAR 1973 TO ABOUT 4 MILLION DOLLARS IN CALENDAR 1977. THE STATEMENT NOTES THAT ACTION TUNGSRAM, A JOINT U.S.-HUNGARIAN VENTURE, HAS TAKEN OVER THE IMPORTATION OF LIGHTBULBS AND HAS CONSTRUCTED A FACTORY IN NEW JERSEY THAT WILL MANUFACTURE LIGHTBULBS ON EQUIPMENT IMPORTED FROM HUNGARY. ACTION TUNGSRAM HAS

BECOME THE U.S. PURCHASING AGENT AND EXPORTER OF U.S.

MANUFACTURED PRODUCTS AND RAW MATERIALS TO TUNGSRAM.  
ACTION BELIEVES THAT MFN WILL CAUSE THE VOLUME OF ITS  
EXPORTS TO HUNGARY TO GROW SUBSTANTIALLY.

3. THE ACTION STATEMENT NOTES THAT GE, SYLVANIA, AND  
WESTINGHOUSE ACCOUNT FOR MORE THAN 80 PERCENT OF THE  
U.S. MARKET FOR GENERAL HOUSEHOLD BULBS, THE ONLY KIND  
IMPORTED FROM HUNGARY BY ACTION. NORTH AMERICAN PHILLIPS  
ACCOUNTS FOR ALMOST ANOTHER 10 PERCENT. IMPORTED TUNGSRAM  
BULBS HAVE ACHIEVED A DOLLAR VOLUME MARKET SHARE OF JUST  
OVER THREE PERCENT. ANY EXPANSION IN ACTION TUNGSRAM'S  
SHARE OF THE U.S. MARKET WILL COME FROM THE NEW JERSEY  
FACTORY. ACTION'S STATEMENT CLAIMS THAT U.S. DOMESTIC  
OUTPUT OF BULBS INCREASED FROM 1.16 BILLION PIECES IN  
1974 TO 1.27 BILLION IN 1977 WHILE THE AVERAGE PRICE PER  
BULB ROSE 33 PERCENT.

4. WE NOTED THAT THIS INFORMATION MIGHT BE USEFUL IF  
THERE WERE A COMPLAINT AND IT BECAME NECESSARY FOR THE  
ITC TO DETERMINE THE EXTENT OF INJURY, IF ANY. IT DOES  
NOT SHED ANY LIGHT ON WHETHER HUNGARY IS DUMPING LIGHT-  
BULBS. ALLAN MERKEN, PRESIDENT OF ACTION INDUSTRIES  
LIGHTING PRODUCTS DIVISION, SAID THAT PRODUCTION COSTS  
ARE LOW BECAUSE TUNGSRAM BULBS ARE PRODUCED ON THE  
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FASTEST MACHINERY IN THE WORLD. EVEN GE IS CONSIDERING  
THE PURCHASE OF HUNGARIAN PRODUCTION EQUIPMENT. FURTHER-  
MORE, THE RETAIL PRICE IN THE U.S. OF TUNGSRAM BULBS IS  
HIGHER THAN THE PRICES OF SOME OF ITS COMPETITORS IN THIS  
MARKET.

5. THE ACTION REPRESENTATIVES WERE PLANNING TO BE IN  
BUDAPEST THE WEEK OF APRIL 17, BUT THEY AGREED THAT SOME  
ACTION REPRESENTATIVE SHOULD BE IN WASHINGTON DURING THE  
HEARINGS ON THE TRADE AGREEMENT. IF THE HEARINGS ARE  
HELD THAT WEEK THEY WILL TRY TO RESCHEDULE THEIR TRIP.  
IN THE MEANTIME THEY WILL TELL THEIR SIDE OF THE STORY  
TO INTERESTED CONGRESSMEN AND THEY WOULD LIKE TO MEET  
DAS EHRENSHAFT SOMETIME DURING THE WEEK OF APRIL 10. VANCE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DISPUTES, EXPORTS, MEETINGS, ELECTRIC EQUIPMENT, MEETING REPORTS  
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**Copy:** SINGLE  
**Draft Date:** 04 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
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**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
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**Status:** NATIVE  
**Subject:** COMPLAINTS ABOUT HUNGARIAN LIGHTBULBS  
**TAGS:** EEWT, HU, PL, US  
**To:** BUDAPEST    WARSAW  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014